

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2822-01
BILL NO.: HB 1090
SUBJECT: Health Care; Medical Insurance; Insurance Department
TYPE: Original
DATE: February 24, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated	\$10,050	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$10,050	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol**, the **Office of Attorney General**, the **Department of Conservation**, the **Department of Social Services**, and the **Department of Transportation** assume this proposal would not fiscally impact their agencies.

Department of Health (DOH) officials state that as the proposal is written there would be no impact on the department. DOH assumes that any current clients of the family planning program who would be covered by this proposal would be replaced by other women in need of services who do not have insurance. DOH states the demand is greater than the resources available for the program.

Department of Insurance (INS) officials state that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals. INS states there are 259 health insurers and 30 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 30 HMOs would each submit one policy form amendment resulting in revenues of \$10,050 to the Insurance Dedicated Fund. If multiple proposals pass during the legislative session which require policy form amendments to be filed the insurers would probably file one amendment for all required mandates. This would result in increased revenue of \$10,050 for all proposals.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state that HCP's current health plans provide coverage for oral contraceptives on the formulary at no cost to the member. The addition of other contraceptives would add some cost to contract health plans however HCP believes this would be modest and not have a fiscal impact upon state funds.

Department of Corrections officials did not respond to our fiscal impact request.

This proposal would result in a increase in Total State Revenues.

FISCAL IMPACT - State Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
INSURANCE DEDICATED FUND			
<u>Income - Department of Insurance</u>			
Filing fees	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses may be fiscally impacted to the extent of increased insurance premiums to cover contraceptives.

DESCRIPTION

This proposal would establish the Equity in Prescription Insurance and Contraceptive Coverage Act. The main provision of this proposal would be the requirement that health insurance plans cover prescription contraceptive drugs, contraceptive devices, and outpatient contraceptive services. Insurance companies must apply the same rates, terms, and conditions for coverage of contraceptives and contraceptive services as other prescription drugs and outpatient services offered in their health plans. In addition, insurance companies could not take actions to discourage the use of or punish those who use their insurance coverage for contraceptives or contraceptive services. The Department of Insurance would enforce the provisions of this proposal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

L.R. NO. 2822-01
BILL NO. HB 1090
PAGE 4 OF 4
February 24, 2000

Department of Insurance
Missouri Consolidated Health Care Plan
Department of Social Services
Department of Conservation
Department of Transportation
Department of Public Safety
Missouri State Highway Patrol
Department of Health
Office of Attorney General

NOT RESPONDING: Department of Corrections

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
February 24, 2000